

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila



TWENTIETH CONGRESS
First Regular Session

HOUSE BILL NO. 509

Introduced by **Representative Jaime R. Fresnedi**

EXPLANATORY NOTE

This bill seeks to make the allocation of funds from the Department of Education's (DepEd) School Building Program more equitable among legislative districts.

Despite having a constitutionally guaranteed priority in budget allocation and consistently high utilization rates, the DepEd has yet to make significant progress in alleviating the classroom shortage. The Congressional Policy and Budget Research Department's Agency Budget Note for DepEd for Fiscal Year 2025 noted that only 192 of the target 6,379 classrooms were constructed in 2023.

As the classroom shortage has already reached emergency levels, with a total shortage estimated at 165,444 classrooms according to the DepEd's Government Assistance and Subsidies Office, the rate of classroom construction remains low even if the targets are achieved. For this reason, it is essential that the budget for the construction of classrooms be increased annually and target areas with the highest shortage. This measure seeks to accelerate the resolution of the classroom shortage in more disadvantaged municipalities and areas, as larger and richer local government units (LGUs) often have their own resources available to contribute to the solution to the problem.

In view of the foregoing, the immediate passage of this bill is earnestly sought.


JAIME R. FRESNEDI
Representative
Lone District, Muntinlupa City

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Introduced by **Rep. Jaime R. Fresnedi**

AN ACT
AMENDING REPUBLIC ACT NO. 7880, OTHERWISE KNOWN AS “AN ACT
PROVIDING FOR THE FAIR AND EQUITABLE ALLOCATION OF THE
DEPARTMENT OF EDUCATION BUDGET FOR CAPITAL OUTLAY”

Be it enacted by the Senate and the House of Representatives of the Philippines in Congress assembled:

SECTION 1. Insert a new section after Section 2 of Republic Act No. 7880, named Section 2-A, to read as follows:

“SEC. 2-A. COVERAGE – THE PROVISIONS OF THIS ACT COVER ALL FUNDS AND BUDGET APPROPRIATED AS CAPITAL OUTLAY FOR THE DEPARTMENT OF EDUCATION (DEPED) INCLUDING, BUT NOT LIMITED TO, THE FUNDS APPROPRIATED FOR THE SCHOOL BUILDING PROGRAM AND LOCALLY-FUNDED PROJECTS OF THE DEPARTMENT OF EDUCATION.”

SEC. 2. Section 3 of the same Act is hereby amended to read as follows:

“SEC. 3. *Definition of Terms.* - As used in this Act, the following terms are hereby defined as follows:

- (a) *Capital outlay* – refers to the provisions of the General Appropriations Act, particularly those pertaining to the budget of the [DECS] **DEPED** for elementary and secondary education for (i) the acquisition and improvement of sites; (ii) the construction, replacement, rehabilitation and repair of buildings, classrooms, libraries, workshops, toilets **AND SANITATION FACILITIES**, and other structures; and (iii) [furniture, fixtures, and equipment such as, but not limited to, desks, chairs, laboratory and workshop implements, computers, books,] **OTHER PROPERTY, PLANT, AND EQUIPMENT IN ACCORDANCE WITH THE CURRENT GOVERNMENT ACCOUNTING STANDARDS PRESCRIBED BY**

THE COMMISSION ON AUDIT, SUCH AS FURNITURE, FIXTURES, EQUIPMENT, COMPUTERS, and the other basic and essential tools for learning whose beneficial use shall exceed one (1) year; and

- (b) *Classroom Shortage* - refers to the number of classrooms whose construction, in considering the number of students divided by the existing number of classrooms, shall result in a student-classroom ratio of ~~[45]~~**40**:1; classrooms shall mean those exclusively used for instructional purposes and shall exclude offices, libraries, laboratories, workshops and the like.”

SEC. 3. Section 4 of the same Act is hereby amended to read as follows:

“SEC. 4. *Allocation of Appropriation.* - Notwithstanding any provision of the law to the contrary, the annual [DECS] **DEPED** budget for capital outlay, as defined in Section 3(a), shall be allocated among the legislative districts in the following manner:

(a) [On the first year of the effectivity, of this Act:

1. Thirty, percent (30%) of the total capital outlay to be allocated pro-rata according to each legislative district's student population in relation to the total student population of the country;
2. Sixty percent (60%) of the total capital outlay to be allocated only among those legislative districts with classroom shortages as defined in Section 3 (b) , pro-rata to the total classroom shortage of the country pursuant to Section 3 (b) as determined by the DECS; and ten percent (10%) to be allocated in accordance with the implementation of the policy of this Act as may be determined by the DECS.
3. Ten percent (10% to be allocated in accordance with the implementation of the policy of this Act as may be determined by the DECS.

(b) On the second year and every year thereafter:

1. Fifty percent (50%) of total capital outlay to be allocated pro-rata according to each legislative district's student-population in relation to the total student population of the country;
2. Forty percent (40%) of the total capital outlay allocated only among those legislative districts with classroom shortages, as defined in Section 3 (b), pro-rata to the total classroom shortage of the country pursuant to Section 3(b) as determined by the DECS; and
3. Ten percent (10%) to be allocated in accordance with the implementation of the policy of this Act as may be determined by the DECS.]

- (a) **TEN PERCENT (10%) OF THE TOTAL CAPITAL OUTLAY TO BE ALLOCATED PRO-RATA ACCORDING TO EACH LEGISLATIVE DISTRICT'S STUDENT POPULATION IN RELATION TO THE TOTAL STUDENT POPULATION OF THE COUNTRY;**
- (b) **TWENTY PERCENT (20%) OF THE TOTAL CAPITAL OUTLAY TO BE ALLOCATED ONLY AMONG THOSE LEGISLATIVE DISTRICTS WITH CLASSROOM SHORTAGES, PRO-RATA TO THE TOTAL CLASSROOM SHORTAGE OF THE COUNTRY, PURSUANT TO SECTION 3(B) AS DETERMINED BY THE DEPED;**
- (c) **FIFTY PERCENT (50%) OF THE TOTAL CAPITAL OUTLAY TO BE ALLOCATED TO SIXTH- TO THIRD-CLASS MUNICIPALITIES WITH CLASSROOM SHORTAGES, PRO-RATA TO THE TOTAL CLASSROOM SHORTAGE OF ALL THESE MUNICIPALITIES: *PROVIDED*, THAT SCHOOLS IN AREAS OTHER THAN THOSE INDICATED IN THIS PROVISION REQUIRING IMMEDIATE REPAIR AND REHABILITATION MAY BE INCLUDED IF THE AMOUNT WILL NOT EXCEED TWO PERCENT (2%) OF THE TOTAL CAPITAL OUTLAY;**
- (d) **TWENTY PERCENT (20%) OF THE TOTAL CAPITAL OUTLAY TO BE ALLOCATED ONLY FOR THE DEPED'S LAST MILE SCHOOLS PROGRAM FOR SCHOOLS IN GEOGRAPHICALLY ISOLATED AND DISADVANTAGED AND CONFLICT-AFFECTED AREAS (GIDCA)."**

SEC. 4. Section 5 of the same Act is hereby amended to read as follows:

"SEC. 5. Use of Allocation. – The total amount allocated herein shall be used exclusively for capital outlay pursuant to the educational priorities of the legislative district, as determined by the [DECS] **DEPED** upon prior consultation with the representative of each legislative district: *Provided*, That the primary objective in the use of any allocation shall be to eliminate classroom shortages if any: ***PROVIDED, HOWEVER, THAT SCHOOL BUILDING/CLASSROOM-APPROPRIATE NUMBER OF TOILETS AND/OR SANITATION FACILITIES SHALL ALSO BE CONSTRUCTED IN ACCORDANCE WITH CHAPTER VI OF PRESIDENTIAL DECREE NO. 856, OR THE SCHOOL SANITATION AND HEALTH SERVICES CHAPTER OF THE CODE ON SANITATION OF THE PHILIPPINES: *Provided, further****, That any amounts allocated in accordance with [subparagraph (1) of paragraphs (a) and (b)] **SUBSECTION (A)** of the preceding section shall be used only for

the acquisition or improvement of school sites, construction of school buildings and classrooms and the purchase of material or equipment that directly aid in education: *Provided, [furthermore]* **FINALLY**, That the amount so appropriated in accordance with [subparagraph (2) of paragraphs (a) and (b)] **SUBSECTION (B)** of the same section shall be used exclusively for the construction of new school buildings **AND/OR CLASSROOMS**[: *Provided, finally*, That if the amount so appropriated in subparagraph (2) of paragraphs (a) and (b) should exceed the amount required to meet classroom shortage, the excess shall be integrated with subparagraph (1) of paragraphs (a) and (b) of the same section excluding capital outlays of division offices, regional and central offices.].”

SEC. 6. Insert a new section named Section 5-A, to read as follows:

“SECTION 5-A. IF THE AMOUNT SO APPROPRIATED IN SECTION 5(D) SHOULD EXCEED THE AMOUNT REQUIRED TO MEET THE CLASSROOM SHORTAGE THE EXCESS SHALL BE INTEGRATED WITH THE ALLOCATION FOR SECTION 5(C), EXCLUDING CAPITAL OUTLAYS OF DIVISION OFFICES, REGIONAL AND CENTRAL OFFICES. THE SAME RULE SHALL APPLY FOR SECTION 5(C), WHOSE ALLOCATION SHALL BE INTEGRATED WITH THE ALLOCATION FOR SECTION 5(B), INCLUDING THE PROVISION ON SCHOOLS REQUIRING IMMEDIATE REPAIR AND REHABILITATION.”

SEC. 5. Section 6 is hereby renamed as Section 9, with subsequent sections renumbered accordingly.

SEC. 6. Insert two new sections named Section 6, 6-A, to read as follows:

“SEC. 6. INCREASE IN THE ANNUAL BUDGET ALLOCATION. – THE BUDGET ALLOCATION PROVIDED FOR THE CAPITAL OUTLAY OF THE DEPED UNDER THIS ACT SHALL BE INCREASED ANNUALLY BY NO LESS THAN TWENTY PERCENT (20%) UNTIL THE TARGET CLASSROOM-STUDENT RATIO HAS BEEN ACHIEVED IN THE ENTIRE COUNTRY.

“SEC. 6-A. REPORTORIAL REQUIREMENT. – THE DEPARTMENT OF BUDGET AND MANAGEMENT (DBM), THE DEPARTMENT PUBLIC WORKS AND HIGHWAYS (DPWH), AND THE DEPARTMENT OF EDUCATION (DEPED) SHALL SUBMIT

TO THE RESPECTIVE COMMITTEES ON BASIC EDUCATION OF BOTH HOUSE OF CONGRESS AN ANNUAL REPORT ON THE RELEASE AND UTILIZATION OF THE CAPITAL OUTLAY UNDER THIS ACT WHICH SHALL BE SEPARATE AND DISTINCT FROM THE REPORTS THEY SUBMIT TO CONGRESS RELATED TO THE DELIBERATIONS ON THE ANNUAL GENERAL APPROPRIATIONS ACT.”

SEC. 7. Section 8 of the same Act is hereby amended to read as follows:

“SEC. 8. *Penal Clause.* - Any public official or employee or private individual who willfully or knowingly misappropriates the funds allocated herein or uses the same for personal gain in violation of Section 5 of this Act shall be punished with perpetual disqualification from public office and imprisonment for not less than six (6) years but not more than fifteen (15) years, **IN ADDITION TO ADMINISTRATIVE PENALTIES AS PRESCRIBED BY RELEVANT ADMINISTRATIVE AND CIVIL SERVICE LAWS.**”

SEC. 8. Section 9 of the same Act is hereby amended to read as follows:

“SEC. 9. *Release of Capital Outlays.* – The appropriation herein provided for the construction, rehabilitation, replacement completion and repair of school buildings shall be directly released to and administered by the Department of Public Works and Highways based on the work program submitted by the [DECS] **DEPED**: [*Provided*, That fifty percent (50%) of the total appropriation for capital outlay shall be released automatically on the first quarter of the calendar year, including its corresponding notice of cash allocation].

SEC. 9. *Implementing Rules and Regulations.* – The DepEd, in consultation with DPWH and the DBM, shall promulgate the rules and regulations for the proper implementation of this Act within ninety (90) days from the effectivity of this Act.

SEC. 10. *Appropriations.* – The amount necessary for the initial implementation of this Act shall be charged against the current year’s appropriations of the departments and agencies concerned. Thereafter, such amount shall be included in the annual General Appropriations Act.

SEC. 11. *Separability Clause.* – If any provision of this Act shall be deemed unconstitutional or invalid, the other provisions not affected there shall remain in force and effect.

SEC. 12. *Repealing Clause.* – All Acts, Presidential Decrees, Executive Orders and Administrative Orders, Rules and Regulations and other such issuances or parts thereof which are inconsistent with the provisions of this Act are hereby repealed or modified accordingly.

SEC. 13. *Effectivity.* - This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in at least two (2) newspapers of general circulation.

Approved,